SPECIFIED GAS EMITTERS REGULATION

FREQUENTLY ASKED QUESTIONS FOR BASELINE EMISSIONS INTENSITY APPLICATIONS AND COMPLIANCE REPORTING

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Alberta ENVIRONMENT

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Disclaimer:
The information provided in this document is intended as guidance only. This document is not a substitute for the law. Please consult the *Specified Gas Emitters Regulation* and the legislation for all purposes of interpreting and applying the law. In the event that there is a difference between this document and the *Specified Gas Emitters Regulation* or legislation, the *Specified Gas Emitters Regulation* or the legislation prevail.

Any comments, questions, or suggestions regarding the content of this document may be directed to:

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A. SPECIFIED GAS EMITTERS REGULATION

1. **What triggers a facility's requirement to report and reduce its emissions under the *Specified Gas Emitters Regulation*?**
   According to section 3 of the *Specified Gas Emitters Regulation*, all facilities that emit direct greenhouse gas emissions equal to or exceeding 100,000 tonnes CO_{2e} per year on or after 2003 must submit a Baseline Emissions Intensity Application and annual Compliance Reports.

2. **If a facility exceeds 100,000 tonnes CO_{2e} in one threshold year, but not in the following year, does the facility need to submit a Baseline Emissions Intensity Application or annual compliance reports?**
   Once a facility exceeds the 100,000 tonne CO_{2e} threshold in any calendar year on or after 2003, it is subject to the *Specified Gas Emitters Regulation*, and must submit a baseline emissions intensity application and annual compliance reports. If, in future years, the facility does not exceed the threshold, it must continue to submit annual compliance reports.

3. **Can a facility voluntarily participate in the *Specified Gas Emitters Program*?**
   The *Regulation* only applies to facilities with total direct greenhouse gas emissions equal to or over 100,000 tonnes CO_{2e} per calendar year. Facilities that do not meet this threshold but who still wish to report their greenhouse gas emissions may do so under the *Specified Gas Reporting Program*. More information on this program is available on Alberta Environment's Greenhouse Gas Reporting website: http://www.environment.alberta.ca/631.html.

   Non-regulated facilities may also participate in the Alberta Offsets Program, which generates emissions offsets credits. Reductions generated by offsets projects can create credits that can be sold to regulated facilities that have not met their emissions reduction target. More information is at: http://environment.alberta.ca/1238.html

4. **If the owner of a facility is not a Canadian company, does the facility need to submit a Baseline Emissions Intensity Application?**
   Yes. All facilities, including foreign owned facilities, operating in Alberta that meet or exceed the 100,000 tonne CO2e threshold must comply with the *Regulation*.

5. **Will the 100,000 tonne CO_{2e} compliance threshold be lowered?**
   Yes. Alberta Environment is evaluating other reporting thresholds with the intention of lowering the threshold for mandatory emissions reporting. Alberta Environment will work to ensure that when the reporting threshold is lowered, it remains harmonized with the *National Mandatory Greenhouse Gas Reporting Program*.

6. **What are the major timelines for the *Specified Gas Emitters Program*?**
The following is a list of key dates under the *Regulation*:
    - Came in to force on July 1, 2007.
    - Facilities emitting over the 100,000 tonne CO2e emissions per year threshold are required to submit their baseline applications by December 31, 2007 if their first full year of commercial operation was on or before January 1, 2004.
    - The 2007 Compliance report for the period July 1 – December 31, 2007 must be submitted to Alberta Environment by March 31, 2007.
    - Third Party verified annual compliance reports are due on March 31, 2007.
    - New Facilities are required to submit a baseline application for their third year of commercial operation. These applications are due by June 1st of the following year.
    - Annual compliance reports, compliance true-up, and verified third party audits are due March 31 of the following year (e.g.: the 2008 submissions must be received by March 31, 2009).

7. **For how long does a facility need to keep its emissions data and other records?**
As stated in section 15 of the *Regulation*, facilities must keep all records, information, and data pertaining to baseline emissions intensity applications and annual compliance reports for a minimum of 7 years.

8. **What are the specified gases covered by the *Specified Gas Emitters Regulation?***
The *Regulation* covers carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_20), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF_6) expressed as units of CO_{2e} based on their respective global warming potential. Additional information on these gases is available in Table 1, page 5 of both the technical guidance documents.

9. **Are there guidance documents available and if so, where can I find them?**
All guidance documents and reporting forms are available on Alberta Environment's climate change website (www.environment.alberta.ca/1.html#555).

    For baseline emissions intensity applications see:
    - *Technical Guidance Document for Baseline Emissions Applications*
    - *Baseline Emissions Application Forms* for existing/new facilities, and integrated/stand-alone cogeneration units
    - *Additional Guidance for Cogeneration Facilities*

    For compliance reports see:
    - *Technical Guidance Document for the 2007 Specified Gas Compliance Reports*
    - *2007 Compliance Report Forms* for regular facilities, and stand-alone cogeneration facilities

10. **Where can I get a copy of the *Specified Gas Emitters Regulation?***
Copies of the *Regulation* are available through the Queen's Printer, however, electronic copies of the *Regulation* are not available. The *Regulation* can also be viewed at www.qp.gov.ab.ca/documents/Regs/2007_139.cfm?frm_isbn=9780779725403.

11. **Where can I direct questions related to the *Specified Gas Emitters Regulation?***
All questions can be e-mailed to AENV.GHG@gov.ab.ca

B. SPECIFIED GAS EMITTERS PROGRAM

1. **Who is the Person Responsible and what are the functions and responsibilities of this person?**
   The Person Responsible for a facility is the EPEA approval or registration holder, the holder of an Alberta Energy and Utilities Board approval or authorization; or, for a facility not subject to either of those, the owner of the facility. The Person Responsible is legally required by law, to ensure that all applications and documents are submitted and that the company complies with its emissions reduction target.

2. **Who is the Reporter and what are the functions and responsibilities of this person?**
   The Reporter is the person tasked with compiling and submitting the facility's baseline emissions intensity application and annual compliance documents. This person will act as the point of contact for Alberta Environment for issues and concerns relating to the baseline application and annual compliance reports. Facilities must notify AENV of any changes to their Reporter.

3. **Who is the Public Contact and what are the functions and responsibilities of this person?**
   The Public Contact is the person designated by the facility to handle questions from the public regarding the facility's baseline, emissions intensity, and related issues. If Alberta Environment receives questions from the public relating to specific facilities, they may direct the enquirer to that facility's public contact.

4. **Who is the Certifying Official and what are the functions and responsibilities of this person?**
   The Certifying Official is person with the authority to legally bind the reporting facility. This individual must have delegated powers to accept legal responsibility for the information in the baseline application and compliance reports, and be in a position to certify that the values and information in these reports are accurate based on reasonable estimates.

5. **What do I do if the name of the Certifying Official or Reporter changes?**
   If a facility's Certifying Official or Reporter changes, the facility must contact Alberta Environment at AENV.GHG@gov.ab.ca to inform them of the changes. These people serve as points of contact between Alberta Environment and the facility. It is important for AENV to have the correct contact information.

6. **Who is the Third Party Auditor, and what are the functions and responsibilities of this person?**
   The Third Party Auditor is a person or team of people hired to review baseline applications and compliance reports for a facility prior to submitting them for compliance purposes. The auditor(s) must meet the requirements for independence stated in the technical guidance documents, and must be a chartered accountant or professional engineer with sufficient field knowledge to be able to state, to a limited level of assurance, that the data as compiled by the Reporter is true and accurate based on reasonable estimates using available data and information.

7. **What is the Statement of Certification?**
The Statement of Certification (SoC) is a statement signed by the Certifying Official stating that the information being submitted is true and complete, and that the values are accurate based on reasonable estimates using available data and information. A signed original SoC (not a copy) must be submitted to Alberta Environment.

8. **What is the Statement of Qualification?**
The Statement of Qualification (SoQ) is a statement signed by the Third Party Auditor stating that they meet or exceed the qualifications of the Third Party Auditor as described in section 20 of the *Regulation*, and that they meet the requirements of independence outlined in the technical guidance documents. A signed original SoQ (not a copy) must be submitted to Alberta Environment.

9. **What is the Statement of Verification?**
The Statement of Verification (SoV) is a statement provided by the Third Party Auditor stating the outcome of their verification, which must be completed to a limited level of assurance. Details on the requirements of the SoV are provided in the technical guidance documents. A signed original SoV (not copy) must be submitted to Alberta Environment.

10. **What is the Emission Performance Credit request form?**
Facilities that exceed their emissions intensity target are eligible to generate Emission Performance Credits (EPCs). The Emissions Performance Request form is a worksheet that is included in the facility's compliance report forms. Facilities wishing to apply for EPCs must sign and submit a copy of the EPC request form with their annual compliance report.

11. **What is the Third Party Auditor's report?**
The Third Party Auditor's report contains the final verification plan and a completed schedule of audit procedures and findings identifying any material and immaterial discrepancies that were not resolved during the verification process. More information is available in the Schedule of Verification Procedures and Findings, table 6 and table 7, respectively in the Technical Guidance Documents on verification and on compliance. This report must be submitted to AENV along with the Baseline Emissions Intensity Application.

12. **What is the DUNS number?**
The Data Universal Numbering System (DUNS) is an internationally recognized numbering system that provides a unique nine-digit identification number for single business entities while also linking corporate family structures together. If the facility or company has a DUNS number, it can usually be obtained from the company's financial department.

C. FACILITY

1. **What is the definition of a facility under the *Specified Gas Emitters Regulation?***
   The *Regulation* defines facility as any plant, structure, or thing where an activity listed in section 2 of the Schedule of Activities in the *Environmental Protection and Enhancement Act (EPEA)* occurs, and a site of one or more contiguous or adjacent sites that are operated and function in an integrated fashion where an activity listed in any of sections 3 to 11 of the Schedule of Activities to *EPEA* occurs, including all the buildings, equipment, structures, machinery and vehicles that are an integral part of the activity.

   The same definition of facility is used in the *Specified Gas Emitters Regulation* and the *Specified Gas Reporting Regulation*.

2. **What is an established facility?**
   An established facility is a facility that completed its first year of commercial operation before January 1, 2000, or that has completed eight years of commercial operation. The baseline emissions intensity for established facilities is the average of its emissions for the years 2003-2005. These facilities must reduce their emissions 12% below their approved baseline emissions intensity.

3. **What is a new facility?**
   A new facility is a facility that completed its first year of commercial operation on or after December 31, 2000, and has completed less than eight years of commercial operation. The baseline emissions intensity for a new facility is based on its third full year of commercial operation. Emissions intensity reduction targets for new facilities are 2% per year starting in its fourth year of commercial operation to a maximum of 12% in its eighth year of operation.

4. **If an existing facility undertakes major renovations or an expansion, will it be re-classed as a new facility?**
   Facilities that undertake a major expansion or improvements may be re-classed as a new facility. The Person Responsible must submit written justification to Alberta Environment. The Director will review existing facility re-classifications on a case-by-case basis.

5. **Will an expansion require a new baseline?**
   Generally, expansions will be included within the original baseline unless it is a major change to the facility. There are provisions in the *Regulation* to revise baselines under certain circumstances. Alberta Environment will look at expansions on a case-by-case basis.

6. **My facility is an established facility that operates differently than it did during the baseline years due mainly to fuel switching. Should I apply as a "new" facility?**
   Alberta Environment will deal with these types of scenarios on a case-by-case basis. Please contact Alberta Environment to discuss this issue.

7. **How will pipelines report under the *Specified Gas Emitters Program*?**
   Pipeline systems in Alberta must report each contiguous section of pipelines and associated operations as a facility. This means that a pipeline network could be broken down into several facilities depending on where it is located and how it is connected to other parts of the pipeline network. This differs from how pipelines report under the *National Mandatory Greenhouse Gas Reporting Program* where all emissions from all pipelines owned by a company in a province are aggregated and treated as a single facility.

8. **What is the location of a pipeline facility?**
   As a pipeline facility does not have a single point source location, a point along a contiguous pipeline section that has a known latitude and longitude should be selected for the facility location. For example, a compressor station may be used to represent the entire pipeline facility.

9. **Does the *Specified Gas Emitters Regulation* cover landfills and incinerators?**
   Yes. As per the *Regulation*, any facility, including landfills and incinerators, emitting over 100,000 tonnes CO_{2e} of greenhouse gases on or after 2003 is required to submit a baseline emissions intensity application and annual compliance reports.

D. EMISSIONS

1. **What are total direct emissions?**
   The total direct emissions for a facility are the sum of all the specified gases, including industrial process emissions, released at a facility in a calendar year. These direct emissions are used to determine whether a facility exceeds the 100,000 tonne CO_{2e} threshold for emissions management purposes.

2. **What are total annual emissions?**
   The total annual emissions for a facility is the total direct emissions from a facility released in a calendar year, not including industrial process emissions, CO_2 emissions from the combustion of biomass, or CO_2 from aerobic decomposition of waste. Total annual emissions and total annual production are used to calculate a facility's emissions intensity to determine the facility's baseline and compliance with its emissions reduction target.

3. **What are industrial process emissions?**
   Industrial process emissions are direct greenhouse gas emissions from an industrial process involving a chemical or physical reaction other than combustion, and where the primary purpose of the industrial process is not energy production.

4. **Is raw gas an industrial process emission?**
   No. Raw or formation gas emissions such as those from natural gas sweetening must be reported in the "vented raw gas" source category. This differs from the *Specified Gas Reporting Program* and the *National Mandatory Greenhouse Gas Reporting Program* where these emissions are reported in the "venting and flaring" source category.

5. **Are emissions from tailings and mine faces classified as industrial process emissions?**
   No. Emissions from tailings and mine faces are not emitted through a physical or chemical reaction and therefore, are not industrial process emissions. These emissions must be reported in the "other fugitive" source category.

6. **Are emissions from the regeneration of catalyst classified as industrial process emissions?**
   No. These emissions are not classified as industrial source emissions and must be reported in a facility's baseline application and annual compliance reports.

7. **Where and how are industrial process emissions excluded in the *Specified Gas Emitters Regulation*?**
   Greenhouse gas emissions from industrial process sources are included in the total direct emissions (threshold) for a facility. However, these process emissions are excluded from the calculation for total annual emissions and, therefore, from the reduction target for the facility.

8. **Can emissions associated with environmental protection/safety equipment be excluded?**
   No. Emissions associated with on-site environmental protection and safety equipment are included if they are part of regular operations, and not a result of a one-time emergency situation. For example, any greenhouse gas emissions associated with an electrostatic participator would be reported, but emissions from equipment brought on-site to deal with a spill would be excluded.

9. **If a facility imports carbon dioxide (CO_2) in its feedstock that is then emitted, are these emissions included in the baseline intensity and total annual emissions calculations?**
   Yes. Facilities are required to report all direct emissions sources of greenhouse gas, including CO_2 emissions from feedstock.

10. **Is the carbon dioxide (CO_2) content in natural gas imported by the user accounted for in the *Specified Gas Emitters Program*?**
    Yes. All direct greenhouse gas emissions occurring on-site must be reported. Emissions from combustion of fossil fuels, including natural gas, must be reported in the facility's total annual emissions numbers.

11. **How is carbon dioxide (CO_2) sequestration managed in the *Specified Gas Emitters Program*?**
    Sequestered CO_2 emissions are not released to the atmosphere, and therefore, are not considered to be a direct emissions source under the *Specified Gas Emitters Program*. Facilities are not required to report sequestered CO_2 emissions.

12. **Are there coefficients that take in to account the different carbon content associated with different grades of coal?**
    Alberta Environment is not aware of different coefficients for different grades of coal. Please use coefficient numbers appropriate to your sector. Should you wish to propose an alternate calculation methodology, the Reporter for your facility must submit written justification for the new methodology. The Director will review all proposals on a case by case basis.

13. **Do greenhouse gas emissions from the consumption of imported electricity need to be reported?**
    Imported electricity is not a direct emission and is therefore, not included in total direct (threshold) or total annual emissions calculations. The 100,000 tonne CO_{2e} threshold only applies to direct emissions occurring on-site. Please see the appropriate technical guidance documents for more information.

14. **Do greenhouse gas emissions from space heaters need to be reported?**
    Yes. Greenhouse gas emissions from space heaters that come from stationary fuel combustion sources must be included in a facility's emissions. These emissions must be reported in the "stationary fuel combustion" source category. If the space heater uses biomass fuel, the CO_2 emissions must be reported in the "CO_2 from the combustion of biomass" source category.

15. How should greenhouse gas emissions from on-site contractors be reported?

GHG emissions resulting from on-site contractors who are there as part of normal facility operations, or who are integral to the production process, are to be included. Emissions from on-site contractors that are a result of an emergency situation are not included in reported emissions.

16. How should transportation emissions be reported?

Emissions from on-site transportation sources are direct emissions resulting from fuel combustion in machinery used for on-site transportation of products and material integral to the production process. Emissions sources include the transportation of raw and intermediate products, and materials within the production process. Some examples include equipment used at an oil sands operation to mine and/or move materials to subsequent on-site processing, and equipment used at above or below ground mining operations to mine and/or move mined materials, intermediate products, or materials to different on-site production processes. Emissions resulting from moving staff around a site are not included in this category.

Transportation emissions are reported in the "on-site transportation" source category.

17. How are carbon dioxide (CO_2) emissions from the combustion of biomass reported in the *Specified Gas Emitters Program*?

CO_2 emissions from the combustion of biomass must be calculated and included in the emission threshold calculation, but are not included in the total annual emissions (TAE) calculation for the facility. Methane (CH_4) and nitrous oxide (N_2O) emission from the combustion of biomass must be reported in the "stationary fuel combustion" source category, included in the calculation of the emission threshold, and included in the calculation of the TAE for the facility.

CO_2 emissions from waste incineration of biomass must be reported in the "CO_2 emissions from the combustion of biomass" source category and included in the calculation of the emission threshold. These emissions are not included in the calculation of the TAE for the facility. The CO_2 emissions from waste incineration of fossil fuel-based (non-biomass) materials must be reported in the "waste and wastewater" source category, and included in the emission threshold calculation and the TAE for the facility.

CO_2 emissions from flaring of landfill gas must be reported in the "CO_2 emissions from the combustion of biomass" source category as landfill gas is considered a biomass material. It must be included in the emissions threshold, but is not included in the calculations for the TAE for the facility. The CH_4 and N_2O emission from flaring of landfill gas must be included in the "waste and wastewater" source category, included in the emission threshold calculation, and the TAE for the facility.

CO_2 emissions resulting from the acrobic decomposition of biomass materials in waste must be reported in the "CO_2 emissions from aerobic decomposition of waste" source category and included in the emissions threshold calculation. These emissions are not included in the TAE for the facility. CH_4 and N_2O emission from waste decomposition must be reported in the "waste and wastewater" source category and included in the emissions threshold calculation in the TAE for the facility.

18. Under which source category do I report CO_2 emissions from the decomposition of waste (biomass) from a landfill?

The IPCC states that CO_2 emissions originating from the decomposition of organic matter are not included in the reduction target of a facility.

For the baseline emissions intensity application and the 2007 compliance year, please report CO_2 emissions from landfills as follows:

- CO_2 emissions from the aerobic decomposition of waste at a landfill in the "CO_2 emissions from aerobic decomposition of waste" source category,
- CO_2 emissions from flaring of landfill gas in the "CO_2 emissions from biomass combustion" source category,
- CO_2 in landfill gas that is emitted directly to the atmosphere in section F – comments of the Baseline Emissions Intensity Apllication/2007 Compliance Report forms.

Alberta Environment will make amendments to the forms to include a source category for CO_2 emissions from the decomposition of waste beginning with the 2008 reporting period.

19. What emissions sources are included in the "waste and wastewater" source category?

The "waste and wastewater" source category includes all emissions associated with waste and wastewater, including nitrous oxide (N_2O) and methane (CH_4) emissions from sources reported in the "CO_2 from biomass combustion" source category.

E. PRODUCTION

1. **What is production under the *Specified Gas Emitters Regulation*?**
   Production is defined in the *Regulation* as the quantity, expressed in applicable units, of
   a) end product produced by a facility, or
   b) any input, output or other thing specified under subsection (4) of the *Regulation*.

   Subsection (4) of the *Regulation* states: if a facility **does not** produce an end product, the Director may specify an input, output, or other thing as the standard of measurement of production of the facility for the purposes of the *Regulation*.

2. **What are major production units?**
   Production means the annual quantity of end product produced by a facility. Production must be expressed in an appropriate unit of production. Alberta Environment encourages sector groups to develop common production units for their sector.

3. **What is end product?**
   Alberta Environment defines end product as the product(s) sold in the market place. Facilities generating end products must use end product for their emissions intensity calculations for the baseline application and compliance reports. Calculations using intermediate products will not be accepted.

4. **Does Alberta Environment state acceptable production units for a given facility?**
   Facilities must use the units of production appropriate for their operation and that are widely accepted by the industry to which that facility belongs. All major production items associated with the release of greenhouse gas emissions must be specified in the *International System of Units (SI units)*.

   Third Party Auditors must verify that the production units used are appropriate for the facility and that the calculations of total annual production, including any unit conversions, have been completed in a reasonable and technically defensible manner.

5. **How do facilities report if they have more than one end product?**
   Facilities with multiple production items (end products) must combine their production items in an appropriate manner. Their emissions intensity will be reported as their total emissions divided by their total, combined, end product.

6. **Can a facility with an end product use something other than end product for its production value?**
   No. Facilities with end products must use that end product(s) for their production value. Submissions that do not use end product are not acceptable under the *Specified Gas Emitters Regulation*.

6. **Can refineries use RAI as a production value?**
   The Director has not reached a decision on the use of Refinery Activity Index (RAI) as a production value for refineries subject to the *Specified Gas Emitters Regulation*. RAI is not an end product and Alberta Environment has not received sufficient justification explaining why facilities cannot provide calculations based on end-product production. Also, given that RAI is not an end product, it remains unclear whether RAI will meet legal requirements to report emissions intensity as total annual emissions divided by total annual production.

7. **Can gas plants use inlet gas as a production value?**
   The Director has not reached a decision on the use of inlet raw gas as a production value gas plants subject to the *Specified Gas Emitters Regulation*.

   Inlet raw gas is not an end product. As gas plant facilities generate what? as an end product. Alberta Environment has not received sufficient justification explaining why these facilities cannot provide calculations using their end product. In addition, inlet raw gas, because it is not an end product, may not meet a facility's legal requirement to report its emissions intensity as total annual emissions divided by total annual production.

   Until a decision is reached, gas plants should submit their baseline applications and compliance reports using their end product.

F. CALCULATIONS AND METHODOLOGIES

1. **Does Alberta Environment have any preference in selecting emissions estimation methodologies?**
   Alberta Environment does not prescribe an exact methodology or estimation/calculation method that a facility must use to calculate greenhouse gas emissions. Facilities are encouraged to use the method with the highest possible accuracy for measured data and calculations. Approved methodologies have been listed in section 4 of both technical guidance documents.

2. **Can a facility use a calculation methodology other than the ones listed in the technical guidance documents?**
   In situations where the required calculation methodology is not listed in either of the technical guidance documents section 4, a facility/sector may propose a facility/sector-specific calculation methodology. Alternate calculation methodologies must result in equal or higher accuracy.

   Facilities are required to submit justification for the proposed methodology including a comparison using both the new and old methodologies, and a rational explaining why the alternative calculation is more appropriate for their facility/sector. Alternate methodologies that do not include supporting rational will not be considered.

   Alternative calculation methodologies will be reviewed on a case-by-case basis.

   Note: the calculation methodology used by a facility must be consistent across all the baseline years and compliance reports to ensure that changes in the quantities of greenhouse gas emissions between the baseline and reporting years are actual changes in the quantities of greenhouse gases and not changes resulting from changes in the calculate/estimate methodology.

3. **What is the level of accuracy (i.e.: significant figures) required for calculating a facility's greenhouse gas emissions?**
   Facilities are required to calculate their emissions to an appropriate number of significant figures. Alberta Environment's baseline application and compliance report forms display up to four decimal places. It is however, the responsibility of the person responsible to ensure that the correct number of significant figures is used.

   Third party auditors should check that numbers are reported using the correct number of significant figures.

4. **What level of detail does Alberta Environment require under section C: Calculation Methods of the Baseline Application Form?**
   The Reporter must provide sufficient information to reproduce emissions calculations performed to determine the emissions intensity. This information should include, but is not limited to, emissions estimates/calculation methodologies, emission factors, equations, calculations, and citations for reference materials used.

5. **What is Alberta Environment's materiality threshold for greenhouse gas emissions compliance reporting?**
   Alberta Environment has established a materiality threshold of 5% for auditor sign-off on the baseline application and annual compliance form reviews. If emissions discrepancies exceed 5%, the auditor cannot sign-off on the report.

   The 5% materiality threshold does not apply for emissions sources being reported to Alberta Environment. The government requires facilities to submit **all** greenhouse gas emissions sources to establish a complete emissions profile for each facility.

6. **Does the 5% materiality limit include the level of accuracy associated with measurements and calculations?**
   No. The materiality limit refers to calculations and measurement errors detected by the Third Party Auditor.

G. BASELINE

1. **What is the Baseline Emissions Intensity Application?**
   The baseline emissions intensity application (BEIA) is the form prescribed by Alberta Environment that is used by facilities to calculate and apply for their baseline emissions intensity. Facilities must complete the appropriate BEIA from one of the following: established facility, new facility, established stand-alone cogeneration unit, or new stand-alone cogeneration unit. Integrated cogeneration facilities must fill out section D in the established/new facility application form.

   Each BEIA is a Microsoft Excel™ template that has seven sections that must be submitted electronically. It also includes four forms that must be printed, signed, and mailed or couriered to Alberta Environment. All sections of the BEIA must be clearly filled out, and non-applicable sections marked with an 'X' in the N/A boxes.

2. **How is the baseline emissions intensity calculated?**
   The baseline emissions intensity is calculated by dividing total annual greenhouse gas emissions (total direct emissions minus industrial process emissions) by the total annual production for a facility. Established facilities are required to average their emissions intensity for the years 2003-2005 to determine their emissions intensity baseline. The baseline emissions intensity is used to determine the facility's emissions intensity limit.

   Additional information on how to calculate the baseline emissions intensity can be found in section 5.5 of the *Technical Guidance Document for Baseline Emissions Intensity Applications*.

3. **Why was 2003 to 2005 chosen for the baseline period?**
   The first three years of greenhouse gas emissions reporting under the *Specified Gas Reporting Regulation* were selected as the baseline period for emissions intensity reductions because these were the first years of reported emissions.

   New facilities will be required to establish emissions intensity baselines for their third full year of commercial operation.

4. **Is it the facility owner or the facility operator who is required to submit the baseline emissions intensity application?**
   The Person Responsible for a facility is the EPEA approval or registration holder, the holder of an Alberta Energy and Utilities Board approval or authorization; or, for a facility not subject to either of those, the owner of the facility. It is the responsibility of the Person Responsible (owner) for the facility, not the operator, to comply with the facility's reporting and compliance obligations.

5. **If one individual is the Reporter for several facilities, can they submit one Baseline Emissions Intensity Application for all their facilities?**
   No. One baseline emissions intensity application must be submitted electronically for each individual facility. The other documentation including the Conflict of Interest checklist, the Statement of Qualification, the Statement of Certification, and the Statement of Verification for each facility can be mailed or couriered in a single envelope. If mailing information for several facilities in the same envelope, please be sure to clearly identify which documents belong to which facility.

6. **Are there penalties for not submitting a Baseline Emissions Intensity Application by the submission date?**
   Yes. Failure to comply with the requirements of the *Regulation* may result in enforcement action. Additional information on enforcement can be found in the *Specified Gas Emitters Regulation*, the *Administrative Penalty Regulation*, and the *Climate Change and Emissions Management Act*.

7. **My facility was operational during the baseline period but has since ceased operation. Do I have to submit a baseline emissions intensity application?**
   No. If a facility has shut down and is no longer operating, it is no longer emitting greenhouse gas emissions, and therefore, is not subject to the *Regulation*.

8. **If a facility was shutdown for one of the three years used to determine the baseline, can the facility use a weighted average instead of a simple average to determine the baseline intensity?**
   Any proposed changes to the baseline calculations will be reviewed on a case-by-case basis. Facilities wishing to use alternate baselines must contact Alberta Environment to discuss their proposed methodology.

9. **If a facility submits a proposal for a baseline adjustment, when will Alberta Environment notify them of a decision?**
   The facility will be notified within a reasonable amount of time; however, the facility must still obey the law and submit baseline applications and/or compliance reports on or before the date set out in section 20(1) of the *Regulation*.

10. **If, during the calculation of emissions intensity, the Reporter discovers an error in the previously reported emissions, can the facility restate their reported numbers?**
    A facility may restate its previously reported emission if errors are discovered. If the previous emissions numbers are revised, the Reporter must provide a rationale for the revision, specify where the revisions occurred, and provide evidence that the methodology used provides a more accurate estimate of their greenhouse gas emissions.

    The Reporter should also contact Environment Canada to correct their 2004, 2005, and 2006 emissions reported under the *National Mandatory Greenhouse Gas Reporting Program*.

11. **How are the emissions from pre-commercial operations managed for new facilities?**
    The baseline emissions intensity for new facilities is based on the 3rd year of commercial operation only. Facilities are not required to use pre-commercial operations emissions in their calculations.

12. If a facility begins operation part-way through the year, is that considered to be its first year of commercial operation?

The *Regulation* operates on a calendar year basis. Therefore, the first year of commercial operation is the first full year of operation beginning in January. If a facility begins operation part-way through a year, emissions from the partial year are not reported under the *Specified Gas Emitters Program*.

13. How will baseline emissions intensity applications be submitted?

The baseline emissions intensity application form (Microsoft Excel™ file) and the Third Party Auditor's Report must be submitted in electronic format either via email to sgr@gov.ab.ca (preferred) or by means of a CD or DVD sent by mail or courier to:

Director
Alberta Environment
12th Floor, Oxbridge Place
9820 – 106 Street
Edmonton, Alberta T5K 2J6

The Conflict of Interest checklist, the Statement of Qualification (SoQ), the Statement of Certification (SoC) and the Statement of Verification (SoV) must be printed, signed, and the originals mailed to the address above.

Applications received after the deadline will be dealt with in accordance with Part 6 of the *Regulation*.

H. COMPLIANCE

1. **What is the Specified Gas Emitters Compliance Report?**
   The Compliance Report is the form prescribed by Alberta Environment that is used by facilities to calculate their annual emissions intensity. Compliance reports compare a facility's net emissions intensity for the compliance period (calendar year) with its net emissions intensity limit (baseline) to determine if the facility has met its emissions reduction target.

   Facilities are required to complete either a regular facility or stand-alone cogeneration facility compliance report form. Each Compliance Report is a Microsoft Excel™ template with seven sections that must be submitted electronically. It also includes four forms that must be printed, signed, and mailed or couriered to Alberta Environment. All sections of the form must be clearly filled out, and non-applicable sections marked N/A

2. **What is the half-year Compliance Report? Why are facilities required to submit a half-year compliance report for 2007?**
   The first compliance period is a half year from July 1 to December 31, 2007. It represents the half-year gap between when the *Regulation* came in to effect and the first full year of compliance reporting, which begins January 1, 2008. All future compliance periods will be based on a full calendar year from January 1 to December 31.

3. **What is the Net Emissions Intensity Limit?**
   The net emissions intensity limit represents a facility's greenhouse gas emissions intensity limit. It is calculated by multiplying the facility's approved baseline emissions intensity (BEI) by its reduction target. For example, an existing facility's net emissions intensity limit is calculated as BEI X 0.88 (12% reduction target). New facilities will have an emissions intensity limit starting at a 2% reduction in their fourth year of commercial operation.

4. **Do facilities need to be in compliance for the 2007 half-year?**
   Yes. An existing facility's 2007 half-year emissions must be 12% below its baseline emissions intensity, while new facilities must meet the reduction target appropriate to the number of years of commercial operation.

   Alberta Environment does recognize the shortage of compliance options available during this initial reporting cycle. Those facilities able to find suitable offset projects, or that generate EPCs at one facility which can be traded to another facility owned by the same company can apply these credits towards their emission reduction target.

5. **How do the calculations differ between the half-year and full year calculations?**
   A facility's half-year intensity is calculated by dividing total half-year emissions by total half-year production. Please refer to section 5 of the *Technical Guidance Document for the 2007 Compliance Report* for more information on half-year intensity calculations.

6. **What is the compliance reporting period?**
Compliance reports are done on a calendar year basis and must be submitted by March 31 of the following year. That is, the 2008 Compliance Report must be submitted to Alberta Environment on or before March 31, 2009.

Failure to comply with the requirements of the *Regulation* may result in enforcement action. Additional information on enforcement can be found in the *Specified Gas Emitters Regulation*, the *Administrative Penalty Regulation*, and the *Climate Change and Emissions Management Act*.

7. **How will a facility know if/how many credits it must purchase to reach compliance?**
The compliance report form will automatically calculate a facility's emissions intensity compared to its reduction target. If a facility is over its emissions reduction target, the form will indicate the number of tonnes for which the facility must purchase offsets or fund credits to reach compliance. If the facility exceeds its emissions intensity limit, the form will indicate how many emissions performance credits have been generated. These credits can then be applied to another facility owned by the same company that has not met its emissions intensity target, or sold through the Alberta Offsets Registry.

8. **If a facility is not in compliance with its intensity target, what are its options for reaching compliance?**
A facility that does not reach its emissions intensity target has four options for achieving compliance. The facility may:
    - make physical modifications (e.g. technology improvements, maintenance, fuel switching, carbon capture and storage, etc.) to the plant that improve performance and lower emissions;
    - purchase Emissions Offset Credits through the Alberta Offsets Registry;
    - purchase Emissions Performance Credits from companies that have exceeded their intensity target; and
    - purchase Climate Change and Emissions Management Fund Credits from the Alberta Government. Credits have a value of $15 per tonne of CO_{2e} purchased.

Companies who fail to reach compliance may be fined up to $200 per tonne exceeded as stated in section 28 of the *Specified Gas Emitters Regulation*.

9. **If a facility exceeds its intensity target, can it generate offsets?**
No. Only those facilities not covered by the *Specified Gas Emitters Regulation* qualify under the Offsets program. However, if a facility reduces its emissions below its emissions intensity target, it will qualify for Emissions Performance Credits (EPCs). These EPCs can be applied toward another facility owned by the same company, or can be sold to other regulated facilities who have not met their reduction target.

10. **If a facility is purchasing *Climate Change and Emissions Management Fund Credits*, when are fund payments due?**
Payment for *Climate Change and Emissions Management Fund Credits* must be received by March 31 of the following year. Companies that fail to purchase sufficient credits, or meet their reduction targets by the March 31 deadline will be deemed out of compliance for that reporting year.

11. Do compliance Reports need to be third party verified?

Yes. Third party verification provides an added level of reassurance and due diligence for Alberta Environment and the public that the numbers reported are accurate based on reasonable estimates using available data and information

12. If one individual is the reporter for several facilities, can they submit one compliance report for all their facilities?

No. One compliance report must be submitted electronically for each individual facility. Other documentation including the Conflict of Interest checklist, the Statement of Qualification, the Statement of Certification, and the Statement of Verification for each facility can be mailed or couriered in a single envelope. If mailing information for several facilities in the same envelope, please be sure to clearly identify which documents belong to which facility.

13. How are compliance reports submitted?

The Compliance Report Form (Microsoft Excel™ file) and the Third Party Auditor's Report must be submitted in electronic format either by email to sgr@gov.ab.ca (preferred) or by means of a CD or DVD sent by mail or courier to:

Director
Alberta Environment
12th Floor, Oxbridge Place
9820 – 106 Street
Edmonton, Alberta T5K 2J6

The Conflict of Interest checklist, the Statement of Qualification (SoQ), the Statement of Certification (SoC) and the Statement of Verification (SoV) must be printed, signed, and the originals mailed to the address above. Other documents may be requested as needed.

Reports received after the deadline will be dealt with in accordance with Part 6 of the *Regulation*.

I. OFFSETS

1. **What are Greenhouse Gas Emissions Offsets?**
   Greenhouse gas emissions offsets occur when facilities not covered by the *Specified Gas Emitters Regulation* (i.e: those facilities emitting less than 100,000 tonnes CO_{2e} per year) reduce their emissions. These emission reductions qualify as offsets, which, when registered with the Alberta Offsets Registry, can be sold to facilities that have not met their emissions reduction target.

   Note: Only offsets credits registered with the Alberta Offsets Registry will be considered for compliance purposes under the *Specified Gas Emitters Regulation*. This is to ensure that offsets used by facilities to reach compliance are legitimate offsets and that these reductions are only used once.

2. **What are Emission Performance Credits?**
   Emission Performance Credits (EPCs) occur when a facility covered by the *Specified Gas Emitters Regulation* reduces its emissions intensity below its emissions intensity reduction limit. EPCs can be traded between facilities owned by a common owner, or sold to other regulated facilities that have not met their reduction target.

3. **How are EPCs calculated?**
   Emission Performance Credits are generated based on the tonnes of greenhouse gas emissions reduced below the facility's emissions intensity limit set at a 12% reduction below the facility's 2003-05 baseline emissions intensity limit. Credits will be issued based on the actual tonnes of CO_{2e} reduced.

4. **How will EPCs be serialized?**
   This process is under development and will likely be done on a credit-by-credit basis.

   In general, facilities that submit an Emission Performance Credits request form will receive written notice from the Director on the number of credits the facility owns, and the corresponding serial numbers. These EPCs can then be sold to other facilities, transferred

5. **Do EPCs expire?**
   No. Emission Performance Credits do not expire. Serialized credits remain active until such time as they are used for compliance and retired with Alberta Environment.

6. **How are greenhouse gas emissions Offset Credits serialized and tracked?**
   Greenhouse gas emissions Offset Credits will be serialized when they are registered with the Alberta Offset Registry. These serialized numbers will be tracked in the Registry until such time as they are purchased and used by a facility for compliance purposes. Offset credits can only be used once; the purchasing facility must notify the Registry and request to have the purchased Offset credits retired. A copy of the Offset Credit Retirement Receipt must be submitted with the facility's compliance report.

7. **What is the Climate Change and Emissions Management Fund?**
   The Climate Change and Emissions Management Fund is a government operated fund, from which facilities that have not met their emissions reduction target can purchase Fund credits. These credits cost $15 per tonne CO_{2e} purchased. All proceeds from the Fund will be used to fund research projects focusing on technology improvements and emissions management in the various sectors.

8. **Will Fund dollars be allocated proportionally based on the amount contributed by each sector?**
   No. Fund dollars will be used as needed to fund research that benefits Albertans. Emphasis will be placed on projects that assist companies in managing and reducing their greenhouse gas emissions.

9. **Will the $15 per tonne of CO_{2e} price cap increase?**
   It is likely that this price cap will go up with time. Alberta will work with the federal government to harmonize both carbon management programs. Harmonization may require some adjustments to be made to the price of carbon.

10. **Where can Offset credits be purchased?**
    Greenhouse gas emissions Offset credits can be purchased through the Alberta Offset Registry hosted by Carbon Offset Solutions (http://www.carbonoffsetsolutions.ca), an arms-length organization with the mandate to oversee and develop Alberta's Offsets trading system. The Registry, which will be used to track registered Offset credits, is currently under development.

    Offset credits can be purchased from any offset provider; however, only offsets registered with the Alberta Offset Registry may be submitted for compliance purposes.

13. **Where can EPC credits be purchased?**
    Once Alberta Environment has approved and serialized a facility's Emissions Performance Credits, these credits can be bought and sold like any other asset. EPCs can also be registered with the Alberta Offsets Registry for tracking and trading purposes.

14. **How does a facility purchase Climate Change and Emissions Management Fund credits?**
    The Climate Change and Emissions Management Fund is a government initiative to help facilities achieve compliance. Payments are made directly to Minister of Finance at:

    Minister of Finance
    Financial Services Branch
    Alberta Environment
    6th floor, South Petroleum Plaza
    9915 - 108 Street
    Edmonton, Alberta
    T5K 2G8

    A Fund credit purchase receipt will be issued for purchased Fund credits. A copy of the receipt must be attached to the compliance report and submitted to Alberta Environment. Please see section 6.2 of the *Technical Guidance Document for the 2007 Compliance Report* for more information on purchasing fund credits.

Note: for the first compliance period (July 1 to December 31, 2007), these credits cannot be purchased using an electronic payment option. Companies must submit a cheque payable to the Minister of Finance on or before March 31, 2008.

11. If a facility injects acid gas, does this qualify as an Offset?

No. Existing acid gas projects are considered to be part of a facility's baseline. As these gases are not being emitted to the air, they are not counted towards a facility's total direct (threshold) or annual emissions, and therefore, are not eligible for offset credits.

Should a company not currently using acid gas injection, develop an acid gas injection project, these emissions may qualify under the Alberta Offsets Program. More information on the acid gas injection protocol is available on the Carbon Offset Solutions website at: http://www.carbonoffsetsolutions.ca/

12. Can a company use offsets generated outside of Alberta?

No. All offsets used for compliance with the *Specified Gas Emitters Regulation* must be generated in Alberta. This ensures that greenhouse gas emissions reductions for Alberta occur in Alberta.

13. Who bears the risk of offsets not qualifying for compliance purposes?

The facility purchasing the offset bears the risks associated with that offset. It is up to the facility to ensure that the offsets are generated according to approved protocols. If the offsets comply with approved protocols, they will be accepted by Alberta Environment.

14. If a facility is shut down, does it qualify for offsets or EPCs?

No. Once a facility is shut down, it is no longer generating emissions, which means it is no longer regulated and cannot generate EPCs. Since the facility will not be generating emissions, it will also not be able to reduce its emissions, and therefore, does not qualify for offsets.

15. If a regulated facility reduces its emissions below its emissions reduction target, can it generate emissions offset credits?

No. Regulated facilities cannot generate emissions offsets. However, if a regulated facility reduces its emissions below its emissions target, the facility can apply for Emissions Performance Credits, which can be traded between facilities owned by the same company or sold to other facilities that have not met their emissions reduction target.

16. If a company has more than one facility and one of these facilities generates EPCs, can the EPCs be used at their other facilities?

Yes. The Company should indicate what it is doing on its compliance report and reconcile the EPCs between the facilities once it has received its EPC serial number.

17. What is the deadline for submitting Emissions Performance Credits?

Facilities must submit their compliance report and application for EPCs on or before March 31 of the following year. For example, a company that has generated EPCs in 2007 must apply for the credits by March 31, 2008.

Once the receipt for the EPC has been issued, there will be a reconciliation process to ensure that the approved EPCs and those used for compliance match.

J. VERIFICATION AND AUDITS

1. **What are the third party verification requirements?**
   The third party verification will provide assurance that a facility's report is reliable and of sufficient quality to determine compliance with its Net Emissions Intensity Limit. The verification must use one of the three prescribed auditing methods to ensure to a limited level of assurance that the data, as compiled by the facility, is true and accurate based on reasonable estimates using available data and information.

   Please consult the appropriate section in the technical guidance documents for more information.

2. **Why does a company need to conduct a third party verification?**
   The third party verification provides an extra level of assurance to the Government and the public that the baseline, calculated emissions intensity limits, and compliance reports are correct, reasonable and defensible.

3. **Are site visits necessary? Do they need to be conducted every year?**
   It is up to the verifier to decide whether site visits are needed. If the verifier feels that things have changed significantly, he/she may recommend a site visit for completeness before issuing the assurance statement.

4. **Why is Alberta Environment requesting 2006 production data?**
   The specified gas emitters program requires data from 2003, 2004, and 2005 to establish a facility's baseline. The 2007 data is used to determine compliance for the 2007 Compliance Report. The 2006 production data is being used to ensure continuity in reporting.

5. **What information does the Third Party Auditor's Report need to include?**
   The Third Party Auditor's Report must contain a final verification plan and a completed schedule of audit procedures and findings identifying any material and immaterial discrepancies that were not resolved during the verification process. The verification report should include:
   - the final verification plan,
   - a complete schedule of audit procedures,
   - names of audit team members,
   - a risk assessment,
   - findings identifying any material and immaterial discrepancies that were not resolved during the verification process

   The report should indicate whether a site visit and examination of the relevant sources and species of greenhouse gases, maintenance and calibration procedures, and production was completed and whether the results were satisfactory.

   Third party auditor's reports that do not meet the criteria identified above will be deemed deficient and the company's baseline application and/or annual compliance report will be considered incomplete. Companies will be asked to re-submit a third party auditor's report that meets the above criteria.

6. **What type of assurance is acceptable to Alberta Environment?**
   Assurance can provide two basic types of conclusion: **reasonable** and **limited**. Reasonable assurance is the highest level of assurance, and is a direct, factual statement issued by the third party auditor stating there is a low level of potential error in the audited information.

   Limited assurance is a lower level of assurance where the auditor states that, based on his or her professional judgment, it is unlikely there will be errors in the reported information. Alberta Environment requires limited assurance that the information presented is correct and accurate based on available information and methodologies.

7. **What standards should Third Party Auditors follow to verify the Baseline Emissions Intensity Application?**
   Alberta Environment has identified the following verification standards as appropriate for auditing purposes under the *Specified Gas Emitters Program*:
   - ISO 1464 Part 3 – Greenhouse Gases: Specification with guidance for the validation and verification of greenhouse gas assertions.
   - Standards for Assurance Engagements, Canadian Institute of Chartered Accountants (CICA) Handbook – Assurance Section 5025.
   - International Standard on Assurance Engagements (ISAE) 3000-Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

8. **Will Alberta Environment be pre-certifying Third Party Auditors?**
   No. It is the responsibility of the reporting facility to engage an appropriate verification team as per the guidelines provided in the technical guidance documents. However, the Director must approve Third Party Auditors that are from jurisdictions outside of Canada.

9. **Will Alberta Environment be conducting Third Party Auditor training programs?**
   No. Alberta Environment will not be conducting training programs for third party auditors. Facilities are responsible for selecting auditors who are familiar with at least one of the three auditing methods described in question H7.

10. **Do all members of the audit team need to meet all the qualification requirements?**
    No. Only the lead auditor must meet all the qualification requirements established in section 18 of the *Specified Gas Emitters Regulation*.

11. **Do the third party auditors have to be based in Alberta?**
    No. Third party auditors can be located anywhere in the world as long as they meet the criteria in section 18 of the *Regulation*. However, auditors from jurisdictions outside Canada will need to be approved by Alberta Environment.

12. **Can the same person or team audit both the facility's baseline emissions intensity application and the compliance report?**
    Yes. The third party auditor can audit both reports as long as they are not auditing their own work, and the facility and team continue to meet the requirements for independence for third party auditors.

13. **If a third party consultant calculates a facility's greenhouse gas emissions, can they also act as the third party auditor?**
    No. The third party auditor cannot review his or her own work. Details on the independence requirements of the third party auditor can be found in the technical guidance documents.

14. **Is Alberta Environment planning to audit or review the submitted baseline applications, and compliance reports?**
    Alberta Environment will audit/verify/review a minimum of 10% of the submissions. The details of the process are being developed and the selection of the facilities to be audited/verified/reviewed will be based on an appropriate representation of the reporting industries and sectors.

15. **Who is responsible for the cost of the third party audit?**
    The facility is responsible for covering the costs associated with the review of its submissions (baseline emissions intensity application and compliance reports). If a facility is selected for an external review under Alberta Environment's audit process, Alberta Environment will cover the costs associated with the external review.

K. CONFIDENTIALITY

1. **Can a company request that their reported greenhouse gas information be kept confidential?**
   In accordance with section 16 of the *Specified Gas Emitters Regulation*, the Reporter for a facility may request that certain portions of the submitted data (baseline emissions intensity application and compliance reports) be kept confidential for a period of up to 5 years on the basis that the information is commercial, financial, scientific, or technical information that would reveal proprietary business, competitive or trade secret information about a specific facility, technology or corporate initiative.

   If a facility wishes to apply for confidentiality, it must fill out the confidentiality forms included in the baseline emissions intensity application and the compliance report forms.

2. **What is the procedure for submitting confidentiality requests?**
   If a company wishes to apply for confidentiality, they must submit a formal application for confidentiality that includes all appropriate justification and supporting documentation by mail or courier to Alberta Environment. Confidentiality requests will be reviewed by the Director.

3. **If my facility was granted confidentiality for submitted data under the *Specified Gas Reporting Regulation*, do I have to submit a confidentiality request for the same data under the *Specified Gas Emitters Regulation*?**
   Yes. A new confidentiality request will need to be submitted under the *Specified Gas Emitters Regulation*.

4. **If one person is the Reporter for several facilities subject to the *Specified Gas Emitters Regulation*, can one confidentiality request be submitted for all of these facilities?**
   No. The Reporter must submit one confidentiality request and supporting documentation for each facility for which they wish to request confidentiality. Each request will be considered separately.

5. **When will the reporting facility be notified whether their confidentiality request was granted?**
   The Director will make a decision. The Certifying Official will receive a written response stating the Director's decision within 150 days of the submission deadline.

6. **How much of the data submitted under the *Specified Gas Emitters Program* will be publicly available?**
   Alberta Environment will publish an annual summary report. Other data not subject to the confidentiality agreements may be released upon request.

L. COGENERATION

1. **What is a cogeneration baseline adjustment and what is its purpose?**
   A cogeneration baseline adjustment is the difference between the deemed greenhouse gas emissions from heat and electricity production and the actual greenhouse gas emissions from a cogeneration facility during the reporting period. Please see the technical guidance documents for more information on the calculations.

2. **How should a stand-alone cogeneration facility report?**
   Stand-alone cogeneration facilities may choose to calculate deemed greenhouse gas emissions to obtain an adjustment to their baseline emissions intensity. Alternatively, they may choose to be treated as a non-cogeneration facility and calculate their baseline emissions intensity using the methods described in the technical guidance documents.

   Stand-alone cogeneration facilities that wish to calculate deemed greenhouse gas emissions must use the baseline application and compliance report forms for new/established cogeneration facilities. Stand-alone cogeneration facilities that do not wish to calculate deemed greenhouse gas emissions must use the baseline application and compliance forms for new/established facilities. Facilities choosing this option do not complete section D (integrated cogeneration information).

3. **How should I report an integrated cogeneration facility?**
   Integrated cogeneration facilities may choose to calculate deemed greenhouse gas emissions to obtain an adjustment to their baseline emissions intensity. Alternatively, the facility may choose to be treated as a non-cogeneration facility and calculate their baseline emissions intensity and compliance reporting using methods described in the technical guidance documents.

   Integrated cogeneration facilities that wish to calculate deemed greenhouse gas emissions must use the baseline emissions intensity application and compliance report forms for new/established facilities and must complete section D (integrated cogeneration information). Integrated cogeneration facilities that do not wish to calculate deemed greenhouse gas emissions must use the baseline emissions intensity application and compliance report forms for new/existing facilities; they do not complete section D (integrated cogeneration information) on the respective forms.

4. **How are deemed greenhouse gas emissions calculated?**
   Deemed greenhouse gas emissions for cogeneration assume that the heat is sourced from a conventional boiler at an 80% efficiency and that the electricity is produced from a natural gas combined cycle (NGCC) electricity generating plant with an associated greenhouse gas emissions intensity of 0.418 tonnes CO_{2e} pre MWh. Please see the technical guidance documents for more information.

5. **Will the 12% reduction target for cogeneration units apply to steam and electricity or steam production only?**
   The 12% reduction target for cogeneration units only applies to steam production.

6. **Should electricity calculations for cogeneration use net or gross units of production?**
   Facilities are required to use their gross electricity production for emissions calculations. Calculations based on net electricity production are not acceptable to Alberta Environment.

   Note: Non-cogeneration power generating facilities are required to use net electricity generation for their production value.

7. **What is the per cent mixture for cogeneration facilities?**
   The per cent mixture described in section D1 of the baseline emissions intensity form and the compliance report form, refers to the per cent ratio of each fuel that makes up the total fuel used by a cogeneration unit. The per cent ratio of each fuel must be specified.